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WASHINGTON – As Congress begins to shape next year's federal budget, Congressman Charles F. Bass (NH-02) testified before the House Budget Committee today about New Hampshire's priorities in the Fiscal Year 2012 Budget Resolution and why Congress needs to take action on reducing spending.

Bass said:

"Learning to live within our means while meeting our nation's priorities must be the foundation upon which we build the budget. We've got to stop this runaway spending train now or we will doom our children and grandchildren to a future of unsustainable debt.

"Of course, examining ways to reform mandatory spending and make it solvent must be a part of any budget debate. As Congress begins the process of crafting next year's budget, I'll be looking at these issues carefully and talking with the people of New Hampshire about their priorities and ideas."

Bass' statement, as submitted for the record to the Committee, is below:

Chairman Ryan, Ranking Member Van Hollen, I appreciate the opportunity to come before the Committee today and testify on my priorities for the upcoming Fiscal Year 2012 Budget Resolution.

Today we find ourselves in a unique situation in which Congress is not only establishing spending for the next fiscal year under regular order, we are also still trying to finish last year's work. For the first time in modern budget history, Congress failed to pass a federal budget and enact any of the appropriations bills. While we finish the process for this fiscal year, we also have the challenge of establishing future spending levels after years of irresponsible and out-of-control spending. I think all of us here today can agree that one of the keys to job creation and economic growth is reducing government spending and getting a handle on mandatory spending. Future budget resolutions must reflect this reality.

While H.R. 1 was a strong statement about our commitment to cutting federal spending, simply taking the ax to government programs without careful consideration of the consequences is risky. We need to take a hard look at the least effective government programs and target those for cuts or elimination. Taxpayer dollars should not be allocated to programs that are ineffective or duplicative.

A recent GAO report highlighted 34 examples of duplicative programs within the federal government. We need to take a close look at these programs and eliminate the redundancy. According to the GAO report, the federal government's efforts to address financial literacy are spread across more than 20 different agencies and roughly 56 programs. Five agencies within the Department of Transportation administer over 100 programs related to surface

transportation, totaling \$58 billion. These are just some of the unnecessary and fragmented programs that the federal government should consolidate or eliminate to operate more efficiently.

The effects of the failure to pass a budget or any of the appropriations bills last year are already being felt in my home state of New Hampshire. In Berlin, New Hampshire, we have a federal corrections institute that is sitting idle and waiting to be opened. Because we are operating on one Continuing Resolution after another, there isn't funding available to hire guards or transfer prisoners. This state-of-the-art, \$276 million federal prison is estimated to create more than 300 new jobs and have a \$40 million annual impact on my Congressional district, but right now it sits empty. What's worse, each year that this facility sits vacant, the Bureau of Prisons will spend \$4 million just to maintain it.

We must also recognize that reducing spending in some federal programs will cause even more spending at the local level. One such program is the Individuals with Disabilities Education Act (IDEA). Under IDEA, the federal government promised local communities that it would fund up to 40 percent of the cost to educate students with disabilities. To date, we are funding this program at about 18 to 20 percent. Local communities are required by law to provide a federally-mandated level of services to students with special needs. The federal government's failure to live up to its promise and fully fund its share only diverts local education resources that either have to be made up through cuts to other programs or by raising local taxes. We all agree that students with special needs deserve these extra services, but insufficient federal IDEA funding continues a broken promise that has a direct impact on each and every school district across the country.

There are many worthwhile programs that need funding, such as the Low Income Home Energy Assistance Program, community health centers, and the Land and Water Conservation Fund, all of which have positive impacts on our economy and way of life in New Hampshire. As we work through the budget process, we will have a lot of tough choices to make to sufficiently fund these programs while at the same time learning to live within our means. The first place we can start is by eliminating wasteful programs, but this cannot be our only action.

While there has been a lot of talk about cutting discretionary spending, if we want to truly address the crushing debt that inhibits our economic recovery, we must examine mandatory spending, which consumes two-thirds of the federal budget. As Congress crafts next year's budget, this issue must be a part of the debate. The first step this Committee and Congress as a whole can take is to grant the authority to reform mandatory spending to the Committees of jurisdiction, which can use their expertise and examine reform measures much more closely. We must also ensure that we include the American people in this important debate.

If we don't deal with this issue now, we will doom our children and grandchildren to a future of unsustainable debt that threatens our nation's economic competitiveness. We need to start the discussion now, and I commend the Chairman for his leadership on bringing this issue to the forefront.

Thank you again Mr. Chairman for the opportunity to speak today about New Hampshire's

priorities and how we can work together to get government spending under control and learn to live within our means.

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